26 June 1959

## MEMORANDUM FOR THE RECORD:

SUBJECT: Recommendations of the Baker Panel Report

1.	Referenc	e is r	made	to the	Baker	r Panel	Report	entitled
Scientific	Judgeme	nts o	n For	eign (	Commi	ınicatio	ns Intel	ligence
dated Was (draft).	hington,	D. C	., 20	Septe	mber	1957.		

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2. In the report which the Inspector General prepared on the basis of his review of \_\_\_\_\_\_\_in late 1958, specific mention was made of Recommendation 26. It was recommended that:

"The AD/CI follow-up the recommendation of the Baker Panel Report that a small group concerned solely with intelligence about cryptology and communications security be established in the intelligence community and ensure that the objectives of the Panel are fulfilled."

- 3. As a result of current research in pertinent files, the following citations have been extracted to set forth the background and developments affecting the specific recommendation.
  - a. On page 69 of the report cited in paragraph 1 above, the Baker Panel stated:

"Nowhere in the U.S. intelligence community is there even a small group concerned with a continuing intelligence study of foreign cryptology and communications security procedures. In such a field as biological warfare, for example, groups actively study current developments and endeavor to predict future weapons and dangers. But in cryptology and communications security, a field whose greater importance is budgetarily clear, we do nothing explicit to obtain a basis for preparing for the future. This gap in U.S.

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intelligence activities may well have occurred because the boundary between NSA and CIA was hazy in this area. The Panel has no recommendation as to where this work should be carried out, so long as liaison with both organizations is intimate. The Panel does feel strongly that this sort of work should be undertaken somewhere."

b. Recommendation 26 of the final Baker Panel Report is as follows:

"A small group concerned solely with intelligence about cryptology and communications security practices should be established within the U.S. intelligence community."

c. Under memorandum dated 17 January 1958, subject Scientific Judgments on Foreign Communications Intelligence (Report of the Baker Panel), the CIA members of USCIBEC made the following comment with respect to Recommendation 26:

"CIA defers to NSA's judgment on this recommendation."

(This was repeated in USCIB: 9.7/12 dated 20 Jan 1958.)

d. NSA comments on the same recommendation as follows:

"The recommendation fails to recognize that this is part of the basic NSA mission. NSA already has elements within the Offices of Production and Communication Security which perform this function and work closely together. If necessary, steps can be taken to strengthen these particular groups. Therefore, we do not believe that a new or additional group is necessary."

4. In light of the statement in Paragraph 3d above and CIA's support of the NSA view, we do not see how we can take any step

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other than to ask the AD/CI to ask for a "current status report" from NSA. With that end in mind, a copy of this memorandum is being forwarded to OCI/SPINT for their information and any action they deem advisable.

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